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SUBJECT: SECRETARY GUTIERREZ' MEETING WITH MINISTER OF  
ECONOMY YOLANDA DE GAVIDIA

REF: A. SAN SALVADOR 2875

[1](#)B. SAN SALVADOR 2873

[1](#)1. (SBU) Visiting Secretary of Commerce Carlos Gutierrez met with his Salvadoran counterpart, Minister of Economy Yolanda Mayora de Gavidia, for a brief bilateral meeting on October [1](#)21. The bulk of the meeting was taken up with the Minister's presentation on GOES implementation of CAFTA-DR and its economic strategy. Among the highlights:

-- the GOES plans to finalize changes to laws and regulations to facilitate CAFTA implementation during October and submit them to the Legislative Assembly for approval in November;

-- on the unresolved CAFTA-related issue of "retroactivity," de Gavidia stressed that El Salvador's proposal provides equivalent treatment as required by CAFTA-DR. The Honduran proposal on retroactivity would be unconstitutional in El Salvador and could not be adopted here;

-- on renegotiating certain rules of origin, the GOES wants to wait until after the January 1 target implementation date and will seek an agreement in writing, beginning with "pocketing" and moving on to other products.

[1](#)2. (SBU) Concluding her presentation, de Gavidia proposed a cooperation agreement between the Ministry of Economy and the Department of Commerce. This agreement would involve the Foreign Commercial Service, Economic and Statistics Administration, the Economic Development Administration, and the Patent and Trademark Office in activities to provide technical assistance in marketing, updating statistical methods and helping to strengthen the legal system. The Minister also reiterated longstanding GOES requests for the placement of an APHIS official in El Salvador, assuring the Secretary that Salvadoran industry was prepared to pay for

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the inspectors, and support for an expanded U.S. Customs presence in El Salvador (i.e., a Container Security Initiative). The Secretary answered that Commerce could consider a strategic alliance to explore cooperation and best practices once past the immediate task of CAFTA implementation. In closing, the Secretary and the Minister agreed to focus their message to the press on the importance of CAFTA as the next step on in ongoing U.S.-Salvadoran relationship.

[1](#)3. (U) The content of paras one and two was cleared by the delegation following its return to Washington.

[1](#)4. (U) Comment: The issues highlighted in para one have been addressed in subsequent, and ongoing, discussions between the GOES and USG on CAFTA implementation.  
Barclay